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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Germany (Russian Zone)

SUBJECT Details Concerning the Transfer of Fichtel & Sachs - Reichenbach A.G. to Russian Ownership

ORIGIN

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1. A total of 1,300 machines in operation and 700 machines laid up were left in Reichenbach when the Russians occupied the town. They were all modern, high-grade machines. In May 1946, there were approximately 2,000 tons of raw material (steel, iron girders, etc.), as well as considerable amounts of semi-finished products, electrical parts, approximately 250 new electrical motors and other smaller parts available.
2. After it became a state-owned plant on 30 June 1946, an order dated 1 November 1946 transferred Fichtel & Sachs to Russian ownership as Soviet AO "Avtovelo".
3. The real value of the machines and equipment, etc., after the necessary deduction for wear, etc., amounted to 10.5 million RM (original value was 14 million RM). The Russian evaluation committee brought this figure down to 1.1 million RM. The Russians, for example, considered all foreign machines as booty, and ignored small machines altogether.
4. In September 1946, the Fichtel & Sachs A.G. had a bank debt of 3.6 million RM, which was reduced to 2.8 million RM by October 1946. As a result of the transfer to the SAG, the Sächsisches Landesbank incurred a loss of 2.8 million RM.
5. Negotiations for the transfer were conducted by the Russian director Sechavalev in the presence of the Russian town commandant of Reichenbach, Major Katinin.
6. As a SAG, the plant increased production considerably. Since April 1947 the figures for the monthly production were:

12,000 Engines (98 cc))
2,000 Front wheel hubs) for motorcycles
2,000 Back wheel hubs)

28,000 Front wheel hubs)
22,000 Back wheel hubs) for bicycles

Car clutches to the value of 450,000 RM

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